



Air and Ground Aviation Inc
2301 Stirling Rd, Dania Beach, FL, 33312, USA
Terms and Conditions of Purchase

The purchase order, together with these terms and conditions, and any attachments and exhibits, specifications, drawings, notes, instructions and other information, whether physically attached or incorporated by reference (collectively the "Purchase Order"), constitutes the entire and exclusive agreement between Air and Ground Aviation Inc ("Buyer") and the seller identified as the supplier in the Purchase Order, hereinafter referred to as "Seller", regarding the goods, materials and/or services to be purchased hereunder ("Goods").

1. **INTERPRETATION** - The definitions and rules of interpretation shall have the following meanings and apply in these conditions.

ACCEPTANCE - means the Seller is deemed to have accepted these Terms and Conditions and the Buyer will not be bound by any additional terms proposed by the Seller on the Purchase Order acknowledgment. Furthermore, the Buyer will not be bound by any conditions on the Purchase Order acknowledgement which are in conflict with these Terms and Conditions of purchase; further explained in Clause 2 below.

CONTRACT - means the Buyers written instruction, "the Purchase Order", and any special conditions to supply the Goods and Services, incorporating these Conditions.

CRITICAL PART - means a product that if the technical requirements (dimension, chemical, physical and/or performance characteristic) are not controlled and achieved could cause a catastrophic failure in aircraft, vehicles and machinery resulting in serious injury and/or loss of life.

DATE - Relevant dates will be shown in the USA convention: month/day/year.

GOVERNING LAW – The Purchase Order and the rights of the parties hereunder is governed by and construed under the laws of the state of Florida. In addition, Seller shall comply and the GOODS comply and/or be performed in compliance with all applicable federal, state and local laws, ordinances, orders, rules, actions, regulations and industry standards. Seller agrees to indemnify and save Buyer harmless from and against any liability or damages, including attorneys' fees, for noncompliance therewith by Seller.

NOTICES - shall mean any notice given under or pursuant to the Contract may be sent by hand or by mail or transmitted by email, facsimile transmission or other means of telecommunication resulting in the receipt of a written communication in permanent form and if so sent or transmitted to the address of the party shown on the Purchase Order, or to such other address as the party may give by notice to the other have substituted therefore, shall be deemed effectively given on the day when in the ordinary course of the means of transmission it would first be received by the addressee in normal business hours.

SERVICES - means those services defined and agreed in the Contract to be provided by the Seller to the Buyer.

THIRD-PARTY - means any individual, entity or corporation other than the Seller and the Buyer.

2. APPLICATION OF TERMS

2.1 Subject to any variation under condition 2.4, these conditions are the only conditions upon which the Buyer is prepared to transact with the Seller and they shall govern the Contract to the entire exclusion of all other terms or conditions.

2.2 Each Order for Goods by the Buyer to be provided from the Seller shall be deemed to be an offer by the

Buyer to purchase the Goods and Services subject to these conditions and no Order shall be accepted until the Seller either expressly by giving notice of acceptance, or by implication in fulfilling the Order, in whole or in part accepts the offer. This includes non-conforming processes, products or services and to obtain approval by Buyer for disposition.

2.3 No terms or conditions endorsed upon, delivered with or contained in the Sellers quotation, acknowledgement or acceptance of order, specification or similar document shall form part of the Contract and the Seller waives any right which it otherwise might have to rely on such terms and conditions.

2.4 These conditions apply to the purchases made by the Buyer as described on the Order and any variation to these conditions shall have no effect unless expressly agreed in writing and signed by an officer of the party.

2.5 Severability. Each paragraph and provision of this Contract is severable, and if one or more paragraphs or provisions are declared invalid it shall be given no effect and shall be deemed to be excluded from this Contract, but the remaining provisions of this Contract will remain in full force and effect. The Parties shall use all reasonable endeavors to replace the invalid or unenforceable provision by a valid provision, the effect of which is as close as possible to the intended effect of the invalid provision.

2.6 Offer. This offer constitutes an offer on the part of the Buyer to purchase the Goods or Services which must be accepted in writing by the Seller or by actual execution of the Order. Each order for Goods or Services must be made on the Buyers printed official Purchase Order form and signed on behalf of the Buyer by an authorized person.

2.7 Supplier Default. Should the Buyer consider that the Seller is not executing the Order in accordance with or as stipulated in the Contract; or the Seller has not made sufficient progress to ensure delivery of the Goods by the time stated in the Order, or that such time has already expired; or the Seller has refused to carry out the reasonable instruction of the Purchaser for the execution of Order or is otherwise in breach of its obligations under the Contract. The Buyer may give notice to the Seller specifying the default and requiring the Seller to remedy it within seven days or such longer period as the Buyer may specify. If the Seller fails so to remedy its default then the Buyer may terminate the Order in whole or in part by notice to the Seller with immediate effect. Thereupon the Buyer may itself complete performance or secure such performance by others of that part of the Order which the Seller has failed to perform using for that purpose (making a fair and proper allowance therefor in any payment subsequently made to the Seller) any materials, plant and equipment on the Buyers premises belonging to the Seller. The Buyer shall not be liable to make any further payment to the Seller until the Order has been completed in accordance with the requirements of the Contract, and shall be entitled to deduct from any amount due to the Seller the costs thereof incurred by the Buyer if the total cost to the Company exceeds the amount (if any) due to the Seller, the difference shall be recoverable by the Buyer from the Seller. The Buyer shall not be liable for any loss whatsoever suffered by the Seller as a result of the Buyers action.

3. QUALITY AND WARRANTY

3.1 Quality

3.1.1 Quality Management System Accreditations. Where the Seller operates a third party approved Quality Management System (QMS), this Order shall be carried out in accordance with the scope of the Sellers current registration (e.g. ISO 9001, AS9120B, AS9100). On request, evidence of Certification (Certificate and Scope of Approval) will be supplied to the Buyer.

3.1.2 Inspection and Acceptance. If the goods are defective or otherwise do not conform to the requirements of this Purchase Order, Buyer may, by written notice to Seller: (a) rescind this Purchase Order as to the goods or (b) reject and return the goods to Seller at Seller's risk and expense for refund/credit or require the delivery of replacements. If Buyer elects to reject non-conforming goods, Seller shall issue a return authorization number for all nonconforming goods within twenty-four (24) hours after Buyer's request, and such non-conforming goods are the property of the Seller. Delivery of replacements will be accompanied by a written notice specifying that such goods are replacements. If Seller fails to deliver required replacements promptly, Buyer may replace them with goods from another Seller and charge the Seller the cost thereof, including cover, and any incidental costs; or terminate this Purchase Order for cause. Acceptance of any part of the Purchase Order shall not bind the Buyer to accept any future GOODS, and Buyer reserves the right to reject any goods or to

revoke any previous acceptance and to cancel all or any part of the Purchase Order if Supplier fails to deliver all or any part of the goods or perform any of the work in accordance with this Purchase Order. If Buyer performs any inspection (other than the standard inspection) after discovering defective or nonconforming goods, any additional inspection costs will be paid by Seller.

3.1.3 Material Traceability. Goods and Services supplied against this Order require full traceability of parts and constituent materials from the time of receipt at the Seller through to delivery of the finished article. Raw material traceability is required to the physical and chemical analysis. If the Seller is not the original manufacturer of the Goods or Services, the Seller shall also provide with the delivery of each consignment, copies of the original manufacturer's certificate of conformity /release note together with test results etc., where applicable.

3.1.4 Configuration Control. The Seller will establish and control the configuration of their documents such as drawings, specifications, plans and procedures necessary to design, manufacture, test, inspect and deliver Goods to the configuration package required by the Buyer. Where the Seller is designing or supplying systems or subsystems a Configuration Management Plan may be required by the Buyer. There shall be no changes or deviations to the contractually agreed Configuration Management Plan without written approval by means of an Order Amendment issued by the Buyer.

3.1.5 Supply Chain Control of Sub-Tier Suppliers. Sellers using sub-tier Suppliers shall either have their systems to control sub-tier Suppliers approved by the Buyer or by an external certification body. Approval of sub-tier Suppliers by the Buyer does not relieve the Seller of the responsibility for assuring that work performed by sub-tier Supplier is in accordance with specification requirements recorded on the Order. Sellers are to take the necessary action to flow down quality and inspection requirements to their Sub-tier Supplier.

3.1.6 New Material. Unless specified differently on the Order, the condition of the Goods to be delivered shall consist of new materials, not used, reconditioned, remanufactured or be of such age as to impair its usefulness or safety.

3.1.7 Advice Notes and Release Certificates (Certificates of Conformance / Compliance). The Seller shall provide certification that the Goods and Services delivered under this Order have been tested and inspected and conform to all drawings, technical instructions and/or the Order requirements. The Seller must have objective evidence on file to substantiate the Certificate of Conformity / Compliance and such evidence must be available to the Buyer for review. As a minimum Certificates of Conformity must contain the following information;

- The Buyers part number, Item number, description and revision.
- Cross reference to the Sellers Part Number, if applicable
- The Purchase Order Reference Number
- Quantity of Goods supplied
- Date of Manufacture and Batch details for goods with a definitive shelf life.
- For pre-owned goods a statement confirming that the goods have not been subject to extreme stress, exposed to excessive heat or fire or been in contact with water.
- Signature of authorized Supplier's quality representative.

3.1.8 Retention of Records. The Seller shall generate and maintain records and data for all inspections and tests performed. The records and data generated shall be appropriate to the inspection and test operations performed and in sufficient detail to provide for complete verification and evaluation of operations. On request, the records will be supplied to the Buyer and no records will be destroyed without prior permission of the Buyer (see Condition 3.4 below). These records may include, but are not limited to;

- Product Release certification
- Records of testing or inspection such as test certificates, route cards, or batch records that detail product serial numbers and are required for traceability purposes

3.1.9 The Seller shall retain records for a minimum of seven years unless otherwise agreed in writing by the Buyer. This time period shall be valid from the date of acceptance of the Goods by the Buyer.

3.1.10 Critical Parts. Design and qualification data, inspection and production records for Critical Parts shall be kept by the Seller for the life of the system/product, unless previously approved in writing by the Buyer.

3.2 Deviations/Concessions

3.2.1 All deviations from drawings/specifications/requirements/statements of work or other documents incorporated into the Order by reference, are to be referred to the Buyer, and shall be authorized by the Buyer in the form of an Order amendment prior to delivery of the Goods or Services. Sellers must demonstrate the requirements for managing Product Non - Conformances (this includes all hardware and software items where the produced item does not conform to the specified requirements) of the Order. It is essential that pre-approved Deviations/Concessions are recorded on all delivery paperwork.

3.3 Surveillance Audits

3.3.1 It is a condition of this Order/contract that where appropriate, the Buyer, the Buyers Customer and regulatory authority reserves the right to conduct Surveillance Assessments/Audits of the Seller and to inspect any airworthiness approvals / certificates / log cards and Buyers work in progress. This will be applied by agreement in the following instances, but not limited to, the following:

- The Sellers performance is giving the Buyer cause for concern
- Relocation to another plant or facility.
- Changes to Critical processes.
- Transferring process operations to another plant or sub tier Supplier.
- Changes at senior management level.
- Changes in ownership
- Employing a new workforce.
- Suspension of a Quality System or Capability approval.

3.4 Warranty

3.4.1 The Seller warrants to the Buyer that the Goods or Services supplied pursuant to this Contract:

3.4.1.1 will be of satisfactory quality and fit for purpose or as made known to the Buyer by the Seller at the time the Order is placed and specifically;

3.4.1.2 will be free from defects in design, material, and workmanship;

3.4.1.3 will correspond with any relevant specification or sample;

3.4.1.4 will comply with all statutory requirements and regulations relating to the sale of the particular Goods or Service.

3.4.1.5 will be provided with due care and diligence and using appropriately qualified personnel for the supply of the Goods and/or proper execution of the Services.

3.4.1.6 that Counterfeit Goods have not been supplied to the Buyer or installed in the Buyers Goods by the Seller.

3.4.2 The Seller shall ensure that the Buyer receives the benefit of any manufacturer's guarantees in respect of Goods purchased. For newly manufactured goods the minimum warranty period is 18-months; for post-production manufactured goods in the Sellers inventory the period is 12-months; the warranty shall start on delivery to the Buyers customer. Any waiver on these periods is to be agreed with the Buyer.

3.4.3. Unless otherwise agreed in writing by the Seller and the Buyer, the Goods shall be delivered and the Services performed duty free of all taxes or other charges of whatever kind and all Goods shall be supplied free from any reservations of title.

3.5 Counterfeit Goods

3.5.1 Suspect Counterfeit Goods means material, component, part, assembly, sub-assembly, product and any other item forming part of the Goods (together referred to as “Items” and separately as “Item”) in which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the Seller or manufacturer and may meet the definition of Counterfeit Goods below.

3.5.2 Counterfeit Goods means Suspect Counterfeit Goods that is a copy or substitute made without legal right or authority or one whose material, performance, Identity (as defined below) or characteristics are misrepresented by a supplier in the Sellers supply chain.

3.5.3 Identity means information, including but not limited to, the original manufacturer, trademark or other intellectual property, part number, date code, lot number, applied testing methods and the results, inspection performed, documentation, warranty, origin, alterations, tampering, salvage, recycling, ownership history, packaging, physical condition and previous use or rejection.

3.5.4 Unless otherwise approved in writing by the Buyer, the seller may only purchase Items from a source which the Seller can show comply with a recognized international standard relating to combatting of Counterfeit Goods and which ensures that the Items purchased from such source are new, unused and authentic Items.

3.5.5 The Seller shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer or source of all Items included in the Goods being supplied.

3.5.6 If Counterfeit Goods or Suspect Counterfeit Goods are furnished under the Contract, such Goods shall be Quarantined and impounded. The Seller shall promptly replace such Goods with Goods acceptable to the Buyer and the Seller shall be liable for all costs relating to impoundment, removal and replacement. The Buyer may notify and turn such Counterfeit Goods over to regulatory or Government authorities for investigation and the Buyer reserves the right to withhold payment pending the results of the investigation.

3.5.7 The Seller is reminded that any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under the Contract may be punishable in accordance with applicable statutes and laws of the USA and other jurisdictions.

3.5.8. In the event that Counterfeit Goods or Suspect Counterfeit Goods have been supplied, the Seller shall inform the Buyers Quality representative as soon as practicable in writing or by e-mail to: jdodds@airandgroundinc.com

3.6 Inducement, Gratuities and Ethics

3.6.1 The Seller shall inform its employees engaged in the performance of work under the Contract in writing prior to performance of work that there is a risk of criminal penalties in the USA and other jurisdictions associated with any falsification, concealment, fraud or misrepresentation in connection with work performed under the Contract and its associated purchase order.

3.6.2 Buyer may, by written notices to Seller, terminate this order for default, if Buyer has reasonable cause to believe that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Seller, or any agent, or representative, any officer or employee of Buyer or Buyer’s customer with a view toward securing this order or securing favorable treatment with respect to awarding or amending or the making of any determinations with respect to the performance of this order.

4. HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

4.1 Seller represents that each chemical substance constituting or contained in Work sold or otherwise transferred to Buyer hereunder is, as applicable, on the Toxic Substances Control Act (TSCA) Chemical Substances inventory compiled by the United States the Environmental Protection Agency pursuant to TSCA (15 U.S.C. Sec. 2607(b)) as amended and implemented in 40 CFR Part 710; and is designated as "active" pursuant to the TSCA Inventory Notification Rule (codified by amendments to 40 CFR Part 710 effective August 11, 2017). Seller shall make available to Buyer all Safety Data Sheets for any material provided to Buyer, or brought or delivered to the Buyer or its customer's premises in the performance of this Contract as required by applicable law, such as the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.

4.2 Seller represents, warrants, certifies and covenants that it will take appropriate actions to provide a safe and healthy workplace, and to protect local environmental quality in all of its activities.

4.3 Work delivered by seller under this Contract may be incorporated into deliverable goods for use in the European Economic Area (EEA) and subject to the European Union Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); the Classification, Labeling and Packaging Regulation (EC) No. 1272/2008 (CLP); and the Biocidal Products Regulation (EU) 528/2012 (BPR).

4.4 Seller represents and warrants that the Work and any substances contained therein are not prohibited or restricted by, and are supplied in compliance with REACH, CLP, and BPR, and that no current requirement in REACH, CLP, or BPR prevents the sale or transport of Sellers Work or substances in Sellers Work in the EEA, and that all such Work and substances have been pre-registered, registered, reported, approved, and/or authorized as and to the extent required by REACH, CLP, and BPR.

4.5 Seller shall timely respond to any request from the Buyer with all relevant information on the Work so that the intents of REACH, CLP, and BPR are met for communicating with downstream users (e.g., as defined in article 3(13) of REACH [any person established in the EEA using substances in the course of that person's industrial or professional activities; the definition does not include the manufacturer, importer, distributor, or consumer]), and in any case, Seller shall provide all information necessary for the buyer and any downstream user to timely and accurately fulfill their obligations under REACH, CLP, and BPR.

4.6 Seller shall bear all costs, charges and expenses related to pre-registration, registration, evaluation, authorization, reporting, and approval under REACH, CLP, and BPR.

5. CONTRACT PRICE

5.1 The price stated on the face of the Contract shall remain fixed and firm (non-revisable) and is inclusive of all other taxes, imposts and fees for the duration of the Contract unless otherwise agreed in writing between the Parties.

6. PACKING AND TRANSPORTATION

6.1 Unless otherwise specified and agreed, the Goods will be:

6.2 Packing. Goods are to be packed in accordance with good commercial practice to prevent damage in transit and meet storage under normal environmental conditions. The Buyer may direct specific terms or requirements for packaging.

6.3 Documentation. The Seller is to enclose with the shipment a complete packing list and the Certificate of Conformance/Release Note. Supporting documents (e.g., engineering logs cards) are to be securely attached to the Goods.

6.4 The Seller shall mark containers or packages with labels or signs showing the necessary lifting, loading, and the shipping information to include: the Buyers Contract number, item number, and the names and addresses of the Seller (consignor) and the Buyer (consignee).

6.5 Delivery. The date for delivery shall be specified in the Order, or if no such date is specified then delivery shall take place within 28-days of the Order. The Seller shall ensure that each delivery is accompanied by a packing slip which should show the following minimum information; the Order number, date of Order, number of packages and contents and, in the case of part delivery, the outstanding balance remaining to be delivered.

6.6 Unless otherwise stipulated on the face of the Order, the Goods shall be delivered in accordance with the agreed terms to the Buyers place of business or to such other place of delivery as is agreed by the Buyer in writing prior to delivery of the Goods. Where the Sellers own delivery method is used, the Seller shall off-load the Goods at its own risk as directed by the Buyer.

6.7 Unless otherwise stipulated on the face of the Order, delivery shall be consigned using the Buyers nominated freight agent and deliveries shall only be accepted by the Buyer during normal business hours unless prior arrangements have been made and agreed with the Buyer.

6.8 Time shall be of the essence of the Contract, unless otherwise stated. The definitions and rules of interpretation of INCOTERMS (to current edition) will apply and as shown Buyer Order.

6.9 Trade Controlled Items. For items/goods supplied, which may contain material, including software and drawings, that is subject to US ITAR/EAR control, the seller must ensure that a statement to this effect is recorded on the packing slip /dispatch documentation. This is required to maintain the buyers compliance with the ITAR/EAR and enable the details to be passed to the buyers customer. The seller is to record on the packing slip /dispatch documentation a reference to the License or release authority.

6.10 Return any packaging material. If the Seller requires the Buyer to return any packaging material to the Seller, instructions to this effect are to be shown on the face of Packing Slip/dispatch documentation. Such return packaging material shall be returned at the cost of the Seller and if clearly identified as returnable, will be retained by the Buyer for a period of 14-days after receipt, or such other period as may be agreed between the Buyer and the Seller and confirmed in writing by the Buyer. At the expiration of such period, the packaging and any other packaging will become the property of the Buyer which may dispose of it as the Buyer sees fit.

6.11 Where the Buyer agrees in writing to accept delivery by instalments the Contract shall be construed as a single contract in respect of each instalment. Nevertheless, failure by the Seller to deliver any one instalment shall entitle the Buyer at its option to treat the whole Contract as cancelled.

6.12 Unless a revised or amended delivery date has been agreed in writing, if the Goods are not delivered on the due date then, without prejudice to any other rights which it may have, the Buyer reserves the right to:

6.12.1 cancel the Contract in whole or in part;

6.12.2 refuse to accept any subsequent delivery of the Goods which the Seller attempts to make;

6.12.3 recover from the Seller any expenditure reasonably incurred by the Buyer in obtaining the Goods in substitution from another supplier; and

6.12.4 claim damages for any additional costs, loss or expenses incurred by the Buyer which are in any way attributable to the sellers failure to deliver the Goods on the due date.

6.13 Over shipment. If the Goods delivered to the Buyer are in excess of the quantities ordered, the Buyer shall not be bound to pay for the excess. Any excess shall be and shall remain at the Sellers risk and shall be returned at the Sellers expense.

6.14 Under-shipment. No under shipments or shortfalls will be accepted unless they form part of an instalment delivery plan or as agreed in writing with the Buyer.

6.15 The Goods shall remain at the risk of the Seller until delivery to the Buyer is complete.

7. ACCEPTANCE

7.1 Unless otherwise specified and agreed in writing, the Goods and Services will be accepted as follows:

7.1.2 Performed pursuant to these terms and conditions and shall be subject to inspection and test by the Buyer and its Customer at all times and places. No such inspection shall relieve the Seller of its obligations to furnish all Goods and Services in accordance with the requirements of this Contract or impose liabilities on Buyer. The inspection or test of any Work by the Buyer shall not relieve the Seller from any responsibility regarding defects or other failures to meet Contract requirements, which may be discovered subsequently.

7.1.2 The final inspection and acceptance shall be at a place specified by the Buyer and acceptance shall take place after the Buyer has had a reasonable time to test and examine the Goods and Services. The Buyer shall have the right to reject the Goods and Services at the end of the receipt inspection process or before being installed.

7.4 Defective Goods. If the results of such inspection or testing cause the Buyer to be of the opinion that the Goods do not conform or are unlikely to conform with the Order or to any specifications and/or patterns supplied or advised by the Buyer to the Seller, the Buyers shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition, the Buyer shall have the right to require and witness further testing and inspection.

7.4.1 If during inspection by the Buyer or its Customer it is discovered that the Goods or Services or any part thereof are defective in any way, the Seller shall promptly and at its own expense repair, rectify or replace the defective Goods or Services.

7.4.2 Repair and/or rectification activity shall be performed at the Sellers place of business or approved repair facility, unless the Parties agree that the remedial action can be carried out at the Buyers place of business or selected location.

7.4.3. The Seller shall be obliged to carry out and bear the costs of dismantling and re-installation of defective Goods. These costs will include, but not limited to: Transport of parts, plant, equipment, materials and labor.

7.4.4 Defective Goods which have been replaced by the Seller shall be placed at the disposal of the Seller and shall be their property.

7.4.5 Should the defect be of such nature that its repair or rectification cannot be delayed and the seller has failed to remedy the defect, the buyer may undertake the repair or rectification itself or engage a third party to do so on its behalf. Any such activity undertaken by the Buyer or a third party shall not affect the Sellers liability under the Contract and shall be undertaken at the sellers cost.

8. LICENCES FOR SOFTWARE/FIRMWARE/DATABASES

8.1 Where applicable, the Buyer shall acquire a non-exclusive license to use the software, firmware and databases (including new versions and releases) furnished by the seller under the terms of an agreement, for an indefinite period of time with effect from the time of delivery of the Goods. Without prejudice to this license, the right to use the goods may be transferred to the Buyers customer. The Seller agrees that the Buyer is, and shall remain, entitled to pledge this license. The license shall, in any event, be understood to include loading, displaying on screen, copying, executing, transmitting and

storing. In certain cases, the license shall also be understood to include the right to issue sub-licenses and all activities required in that context.

9. CONFIDENTIALITY

9.1 The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by the Buyer or its agents and any other confidential information concerning the Buyers business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the Sellers obligations to the Buyer and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Seller.

10. INVOICES/PAYMENT

10.1 Unless otherwise agreed to in writing by the parties, an invoice is not issued prior to shipment of goods. Invoices are forwarded to Buyer's address (2 copies on Seller's own form) and no payment is made if Buyer has not received an invoice as defined herein. Invoices must reference this Purchase Order number, listing a description of goods provided and as applicable, part number, applicable quantities and the unit and total prices. Payment of an invoice does not constitute acceptance of the goods and is subject to appropriate adjustment should Seller fail to meet the requirements of the Purchase Order. All payments are subject to adjustment for shortage or rejection of materials provided. In any case where transportation is billed, billing must be accompanied by carrier's invoice marked "paid". If Buyer has a claim against Seller resulting from this Purchase Order or any other transaction, Buyer may deduct or set-off disputed amounts from Seller's claims for amounts due.

11. LIABILITY

11.1 The Seller shall be liable to the Buyer for all losses, liabilities, actions, claims, costs and expenses (including legal costs and expenses) of whatever nature suffered by the Buyer resulting from the negligence, breach of contract or breach of statutory duty caused by the acts or omissions of the Seller, its employees, sub-contractors or agents in their performance of the Contract or in connection with any defect in the Goods or Services. This condition shall continue in force notwithstanding termination for any reason of the Contract

12. PURCHASER'S PROPERTY

12.1. Materials, equipment, tools, dies, molds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by the Buyer to the Seller or not so supplied but used by the Seller specifically in the manufacture of the Goods shall at all times be and remain the exclusive property of the Buyer but shall be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller until returned to the Buyer and shall not be disposed of other than in accordance with the Buyers written instructions, nor shall such items be used otherwise than as authorized by the Buyer in writing.

12.2 The Seller shall indemnify the Buyer against any loss or damage to the items mentioned in Condition 12.1 above arising while such items are in the sellers possession or before re-delivery to the Buyer. The Seller shall insure the aforesaid items against all risks and note the Buyers interests on its policy, if necessary.

13. TERMINATION

13.1 Buyer may terminate this order in whole or in part, for Seller's default, without liability to Buyer if:

13.1.1 Deliveries are not made at the time or in the quantities specified

13.1.2 In the event of a breach of applicable specification requirements or any of the other terms or conditions hereof, or

13.1.3 In the event of the institution of any proceedings by or against Seller in bankruptcy or insolvency under any provisions of the bankruptcy Act or for appointment of a receiver or trustee or any assignment for the benefit of creditors.

13.2 Buyer may terminate this order, in whole or in part, at any time for this convenience by notice to Seller in writing. On receipt by Seller of such notice, Seller shall immediately comply with Buyer's instructions and, to the extent specified therein, stop work and the placement of subcontracts hereunder, terminate work under subcontracts outstanding hereunder and take action necessary to protect property in Seller's possession in which Buyer has or may acquire an interest. Within (30) days of receipt by Seller of such notice, Seller shall advise Buyer of the actions taken by Seller to comply with Buyer's instructions and Seller shall also notify Buyer of Seller's intent to file a termination claim. In the event Buyer terminates and Seller submits a termination claim, Buyer shall pay to Seller the following:

13.2.1 amounts due for Supplies delivered and accepted or services completed in accordance herewith, and not therefore paid for, prior to the effective date of termination

13.2.2 actual work in process costs incurred by Seller if property allocable or apportionable under generally acceptable accounting principles and practices to the terminated portion of the contract. The total settlement shall not exceed 65% of the purchase order price unless agreed to in writing by Buyer.

13.3 Any termination by Buyer for any reason, shall be without prejudice to any claims for damages or other rights of Buyer against Seller. Seller shall not be liable for default due to causes beyond Seller's control and without its fault or negligence, including acts of God, governmental priorities, fires, strikes, floods, epidemics, riots, power shortages, delays in transportation or transport equipment shortages or (ii) because of the inability due to causes beyond its control and without its negligence to obtain necessary labor, materials, or components; provided, however, if Seller's default is caused by the default of a subcontractor or supplier, such default by Seller shall not be excusable under this Article unless it arises out of causes beyond the control of both Seller and the subcontractor or supplier and without the fault or negligence of either of them and the Supplies to be furnished by the subcontractor or supplier are not obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule.

14. FORCE MAJEURE

14.1 The Buyer reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of the Buyer including,

14.2 Without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

15. GENERAL

15.1 Specific instructions, including requirements notified by the Buyers Customer will be advised on the Contract or under separate cover; any such documents issued will form part of the Contract.

15.2 Any typographical or other error in any Contract, acceptance of offer or other document or information issued by the Buyer shall be subject to correction without any liability on the part of Buyer.

15.3 Entire Agreement. This contract is the entire agreement between the parties regarding the Purchase of the Goods or Services and supersedes all prior arrangements, commitments, representations, writings and other communications between the Parties. No representation, undertaking or promise shall be given or implied from anything said or written in negotiations between the parties except where expressly stated in the Contract.

16. Contact Information

North America Office

Air & Ground Aviation Inc, 2301 Stirling Road, Dania Beach, FL 33312 **Reg No: P13000010986**

Tel: +1 754-777-7292

Email: sales-na@airandgroundinc.com **W:** www.airandgroundinc.com

Ian Dodds – Company Director